S6615-2

JUNE 1990

OREGON LABOR TRENDS

State of Oregon • Employment Division • Department of Human Resources

INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)

May	1990	4.9
Apr	1990	4.8
May	1989	5.6

United States (Seas. Adj.)

May	1990	5.3
Apr	1990	5.4
May	1989	5.2

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977 = 100)

May	1990	133.4
Apr	1990	133.2
Mar	1990	132.9
Feb	1990	132.1
Jan	1990	132.1

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon

Apr	1990	$11.10
Mar	1990	$11.03
Apr	1989	$10.62

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

Apr	1990	40.0
Mar	1990	39.5
Apr	1989	40.3

CONSUMER PRICE INDEX (CPI)

1982-84 = 100
ALL URBAN CONSUMERS

Portland-Vancouver

July-Dec. 1989	121.6
Yearly change	4.9%
Annual Average 1989	120.4
Yearly change	5.0%

United States

May 1990	129.2
Yearly change	4.4%
Annual Average 1989	124.0
Yearly change	4.8%

Portland Hotline 326-4132

EMPLOYMENT GROWTH WEAKENS, BUT MOST AREAS PROSPER

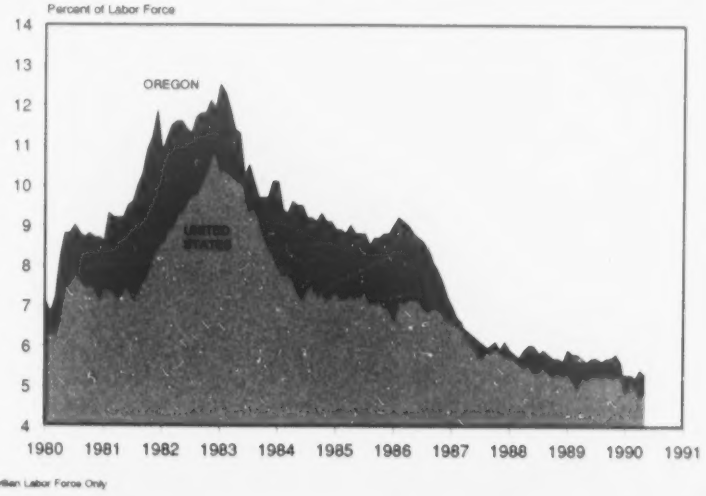
David Cooke

If it were not for the troubles in the lumber & wood products industry, Oregon's economy would be in great shape. That's like someone who suffers from a pollen allergy saying, "If it weren't for this hay fever I'd be thoroughly enjoying this sunny June weather." But even with many mill closures and cutbacks caused by timber supply shortages, higher log costs, and soft markets, the economy as a whole is fairly prosperous.

Unemployment remains low and total employment continues to grow. First, let's consider the unemployment situation. The May seasonally adjusted unemployment rate edged upward to 4.9% from 4.8% in April. The rate continues to run below that of the U.S., which dropped one-tenth to 5.3% in May. The graph below of the Oregon and U.S. unemployment rates shows how unusual it is for Oregon to experience a lower unemployment rate than the U.S. In a period spanning the past ten years, only in the most recent several months has Oregon's economy been more successful than the U.S. economy at providing jobs for those willing and able to work.

The 4.9% May rate puts Oregon at a very low level of unemployment historically. Before this current period of tight labor market conditions, the unemployment rate had not been below 5% since 1969. Indirect evidence of the low unemployment rate is reported by managers of companies in many areas of the state who are having a hard time finding enough qualified workers. Portland, Salem, Bend, and Newport in particular are cities where demand is outstripping supply in many occupations.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES
OREGON AND THE UNITED STATES



OREGON NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	MAY 1/ 1990	APR.2/ 1990	MAY 1989	CHANGE FROM APR. 1990	CHANGE FROM MAY 1989
TOTAL 5/	1,251,500	1,237,100	1,205,400	14,400	46,100
WAGE & SALARY EMPLOYMENT INDEX 6/	133.4	133.2	128.4	XXX	XXX
GOODS PRODUCING INDUSTRIES 7/	268,100	264,000	259,600	4,100	8,500
SERVICE PRODUCING INDUSTRIES 8/	983,400	973,100	945,800	10,300	37,600
TOTAL MANUFACTURING	216,600	213,800	212,700	7,800	3,900
DURABLE GOODS	159,100	157,600	157,000	1,500	2,100
LUMBER & WOOD PRODUCTS	65,300	64,500	64,800	800	500
LOGGING	11,100	10,200	11,800	900	- 700
SAWMILLS	21,900	21,800	22,300	100	- 400
VENEER & PLYWOOD	15,100	15,400	14,400	- 300	700
MILLWORK & STRUCTURAL WOOD	11,000	10,900	10,400	100	600
MOBILE HOMES	1,900	1,900	1,800	0	100
OTHER WOOD PRODUCTS	4,300	4,300	4,100	0	200
FURNITURE AND FIXTURES	2,900	2,900	3,000	0	- 100
STONE, CLAY, GLASS & CONCRETE	4,300	4,300	4,300	0	0
PRIMARY METALS	11,400	11,400	10,800	0	600
BLAST FURNACES, IRON & STEEL 9/	5,900	5,900	5,500	0	400
NONFERROUS METALS 9/	5,500	5,500	5,300	0	200
FABRICATED METALS	11,700	11,800	12,500	- 100	- 800
FABRICATED STRUCTURAL METALS	5,100	5,100	5,400	0	- 300
OTHER FABRICATED METALS	6,600	6,700	7,100	- 100	- 500
MACHINERY	17,900	18,000	17,700	- 100	200
OFFICE & COMPUTING MACHINES	4,800	4,800	4,400	0	400
OTHER MACHINERY	13,100	13,200	13,300	- 100	- 200
ELECTRONIC & OTHER ELECTRIC EQUIPMENT 9/	17,100	17,000	15,300	100	1,800
TRANSPORTATION EQUIPMENT	13,100	12,100	12,000	1,000	1,100
INSTRUMENTS & RELATED PRODUCTS 9/	11,700	11,900	12,700	- 200	- 1,000
MISCELLANEOUS MANUFACTURING	3,700	3,700	3,900	0	- 200
NONDURABLE GOODS	57,500	56,200	55,700	1,300	1,800
FOOD & KINDRED PRODUCTS	22,100	21,300	20,700	800	1,400
CANNING & PRESERVING	11,100	10,600	10,100	500	1,000
OTHER FOOD PRODUCTS	11,000	10,700	10,600	300	400
TEXTILE MILL PRODUCTS	1,700	1,700	1,800	0	- 100
APPAREL	2,600	2,600	2,600	0	0
PAPER & ALLIED PRODUCTS	9,000	8,600	9,100	400	- 100
PRINTING & PUBLISHING	14,000	13,900	13,400	100	600
CHEMICALS & ALLIED PRODUCTS	2,300	2,300	2,200	0	100
PETROLEUM & ASPHALT PRODUCTS	500	500	500	0	0
RUBBER & PLASTIC PRODUCTS	4,800	4,800	4,900	0	- 100
LEATHER PRODUCTS	500	500	500	0	0
TOTAL NONMANUFACTURING	1,034,900	1,023,300	992,700	11,600	42,200
MINING & QUARRYING	1,400	1,300	1,400	100	0
CONSTRUCTION	50,100	48,900	45,500	1,200	4,600
BUILDING CONSTRUCTION	12,900	12,900	11,800	0	1,100
HEAVY CONSTRUCTION	6,500	6,100	6,900	400	- 400
SPECIAL TRADE CONTRACTORS	30,700	29,900	26,800	800	3,900
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	64,100	64,000	62,400	100	1,700
TRANSPORTATION	42,600	42,500	41,100	100	1,500
RAILROAD	3,800	3,800	3,900	0	- 100
TRUCKING & WAREHOUSING	24,500	24,400	23,400	100	1,100
OTHER TRANSPORTATION	14,300	14,300	13,800	0	500
COMMUNICATIONS	12,300	12,300	12,400	0	- 100
UTILITIES	9,200	9,200	8,900	0	300
TRADE	319,800	316,200	305,100	3,600	14,700
WHOLESALE TRADE	81,400	80,800	76,700	600	4,700
DURABLE GOODS	47,900	47,500	45,200	400	2,700
MACHINERY, EQUIPMENT, & SUPPLIES	11,300	11,400	10,800	- 100	500
OTHER DURABLE GOODS	36,600	36,100	34,400	500	2,200
NONDURABLE GOODS	33,500	33,300	31,500	200	2,000
GROCERIES & RELATED PRODUCTS	12,100	12,300	11,600	- 200	500
OTHER NONDURABLE GOODS	21,400	21,000	19,900	400	1,500
RETAIL TRADE	238,400	235,400	228,400	3,000	10,000
BUILDING MATERIALS & GARDEN SUPPLIES	9,200	9,000	8,100	200	1,100
GENERAL MERCHANDISE	29,700	29,200	27,700	500	2,000
FOOD STORES	41,300	41,100	39,600	200	1,700
AUTO DEALERS & SERVICE STATIONS	29,200	29,200	29,100	0	100
APPAREL & ACCESSORY STORES	9,900	9,800	9,100	100	800
FURNITURE & HOME FURNISHINGS	9,700	9,700	9,000	0	700
EATING & DRINKING PLACES	85,700	83,800	82,300	1,900	3,400
MISCELLANEOUS RETAIL	23,700	23,600	23,500	100	200
FINANCE, INSURANCE, & REAL ESTATE	76,500	75,500	75,500	1,000	1,000
FINANCE	28,000	28,000	27,800	0	200
INSURANCE	22,400	22,100	22,300	300	100
REAL ESTATE	26,100	25,400	25,400	700	700
SERVICES	292,500	290,700	280,800	1,800	11,700
HOTELS & OTHER LODGING PLACES	19,900	19,100	18,400	800	1,500
PERSONAL SERVICES	10,700	10,800	11,000	- 100	- 300
BUSINESS SERVICES	48,600	47,600	47,300	1,000	1,300
AUTOMOTIVE & MISC. REPAIR SERVICES	15,600	15,500	15,200	100	400
MOTION PICTURES & AMUSEMENTS	14,400	15,300	14,500	- 900	- 100
HEALTH SERVICES	86,000	85,400	81,200	600	4,800
LEGAL SERVICES	8,600	8,700	8,700	- 100	- 100
PRIVATE EDUCATION	15,000	15,300	15,100	- 300	- 100
SOCIAL SERVICES	26,400	26,200	24,300	200	2,100
ENGINEERING & MANAGEMENT SERVICES	19,600	19,500	19,000	100	600
OTHER SERVICES & NEC	27,700	27,300	26,100	400	1,600
GOVERNMENT	230,500	226,700	222,000	3,800	8,500
FEDERAL GOVERNMENT	36,200	34,300	32,100	1,900	4,100
STATE GOVERNMENT	60,700	60,700	60,500	0	200
EDUCATION	26,000	26,000	25,700	0	300
OTHER STATE	34,700	34,700	34,800	0	- 100
LOCAL GOVERNMENT	133,600	131,700	129,400	1,900	4,200
EDUCATION	84,900	83,800	82,400	1,100	2,500
OTHER LOCAL	48,700	47,900	47,000	800	1,700
LABOR-MANAGEMENT DISPUTES 10/	500	900	3,600	- 400	- 3,100

OREGON RESIDENT LABOR FORCE
(BY PLACE OF RESIDENCE)

	MAY 1/ 1990	APR.2/ 1990	MAY 1989	CHANGE FROM APR. 1990	CHANGE FROM MAY 1989
CIVILIAN LABOR FORCE 3/	1,484,800	1,450,900	1,472,000	33,900	12,800
UNEMPLOYMENT	71,000	71,600	80,900	- 600	- 9,900
PERCENT OF LABOR FORCE	4.8	4.9	5.5	XXX	XXX
SEASONALLY ADJUSTED PERCENT	4.9	4.8	5.6	XXX	XXX
TOTAL EMPLOYMENT 4/	1,413,800	1,379,300	1,391,100	34,500	22,700

1/ Preliminary
2/ Revised
3/ Includes employed and unemployed individuals 16 years and older, adjusted for multiple job-holding and commuting.
4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.
5/ Includes full- and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: These data are estimated in cooperation with the U.S. Bureau of Labor Statistics and the Employment and Training Administration. All data are based on the 1987 Standard Industrial Classification (SIC) codes.
6/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of 0.8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).
7/ Goods producing industries include manufacturing, mining, and construction.
8/ Service producing industries include transportation, communications, and utilities; trade; finance, insurance, and real estate; services; and government.
9/ Series break. Data for 1988 and thereafter are not comparable to those for 1987 and before.
10/ Employees involved in labor disputes are not included in wage and salary employment counts.

Direct evidence of the low rate comes from a count of the number of unemployment insurance weeks claimed. This count is tallied each week by the Employment Division and is a good indicator of the trend in the number of people who are unemployed in Oregon. The trend of the average number of "weeks claimed" for May since 1984 shows some striking characteristics. In May of this year, the figure was roughly 32,000 claims per week, which is barely above the levels of the last two years, but is 20 to 30 percent below comparable levels of 1984 through 1986. The low number of weeks claimed means that fewer people are out of work now as compared to the mid-1980s.

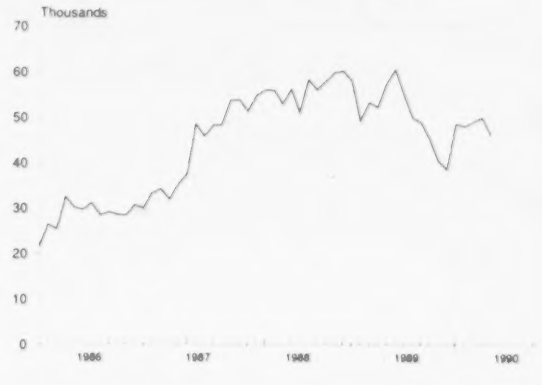
On the employment side of the labor market equation, job levels in most sectors continue to grow, but at a slower rate than in the past few years. Total nonagricultural wage & salary employment (the most accurate measure of month-to-month changes in employment) rose by 14,400 to a level of 1,251,500 in May. It should come as no surprise that this is the highest level ever, as the growing economy hasn't looked back since pulling itself out of the recessionary trough of the early 1980s.

Although the economy continues to add jobs, growth has been slowing. Perhaps the best measure of growth in employment is the year-ago comparison. With this comparison, changes due to seasonal variations such as log harvesting, food processing, and tourism do not have to be considered because presumably the seasonal swings in employment will occur each year during the same months. The year-ago comparisons of annual average wage & salary employment throughout the 1980s show declines in the first three years: 1980 (−1.1%), 1981 (−2.5%), and 1982 (−5.7%). Then for the next four years employment grew by an average of 2.5% per year. This brings us to the most recent three years, where employment growth was quite rapid: 1987 (+3.9%), 1988 (+5.1%), and 1989 (+4.4%). During these last few years, Oregon was experiencing some of the fastest employment growth rates of any state in the U.S.

These were fairly rapid growth rates. Think of it: at a five percent annual growth rate, for every 20 jobs in the state, one additional job was created per year; for every thousand jobs, 50 were created each year.

NONFARM WAGE & SALARY EMPLOYMENT INDEXES
(SEASONALLY ADJUSTED)

NONAG WAGE & SALARY EMPLOYMENT GROWTH
OVER-THE-YEAR CHANGES



How long could the state keep up with this rapid rate of growth? Apparently, not indefinitely. The growth over the last several months has shown some signs of cooling off. To get a clearer picture of the recent rate of growth, note the year-to-year percent change for total wage & salary employment for the January through May period after adjusting for strikes and the temporary employment of census workers. These figures for year-ago growth are as follows: January (+3.9%), February (+3.8%), March (+3.8%), April (+3.7%), and May (+3.4%). The rate of employment growth peaked during 1988, but as these figures show the growth has slowed since then and particularly so in the last few months.

. . .two-thirds of Oregon's job growth in May came from temporary hiring for the U.S. census.

The general trend of weakening employment growth in May was made up of many separate and varying industrial trends. After adjusting for normal seasonal trends, two-thirds of Oregon's job growth in May came from temporary hiring for the U.S. Census. Federal government employment has soared to 36,200 in Oregon, with roughly 4,000 census workers now on the payrolls.

A second source of new jobs was in the transportation equipment manufacturing industry, where 900 additional ship repair workers were hired for new contracts. This employment increase dwarfed employment changes in all other sectors of other durable goods manufacturing. Instruments & related products (11,700 down 200) suffered from layoffs at Tektronix. Unfortunately, Tektronix has announced further cutbacks of approximately 1,000 which will continue the employment decline in this industry.

Paper and allied products employment grew by 400 in May, as a major labor dispute was resolved and workers returned to their jobs.

Lumber and wood products, which was discussed extensively in last month's **Labor Trends**, increased employment in May by only 800. An increase due to normal seasonal factors would have resulted in a 1,600 increase. The industry is highly seasonal, with peak employment levels occurring in July, August, and September. Employment in recent years during the summer has been roughly 5,400 greater than the lowest employment levels of February and March. May is typically a few hundred below the annual average for the year. After adjusting for labor disputes, the May 1990 lumber & wood products total is 2,800 below May 1989, and 3,200 below May 1988.

In May, logging experienced a typical increase of 900, but is still below all May levels since 1983. Several layoffs, and rehirings after layoffs, combined to produce a 100 job increase in sawmills & planing mills (21,900 up 100). But in veneer & plywood (15,100 down 300) there were no rehirings to offset three closures. Millwork (11,000 up 100) and mobile homes (1,900 unchanged) are the two sectors of lumber & wood which have been showing consistent gains. Mobile homes employment has not been higher in any month since September 1981.

While lumber and wood products is showing weakening employment trends, food and kindred products is having a solid year. Employment here (22,100 up 800) is at its highest May level in history. Interestingly, one must look far back in Oregon's history to make sure that this May was the highest employment level ever. Ten years ago employment stood at 20,900; twenty years ago 19,800; thirty years ago 17,700; and forty years ago 16,300. In 1950, employment in food and kindred products was still three-fourths as large as it is today, although the state's population has nearly doubled since 1950.

Other industries registering job growth in May included construction and services. Construction employment grew by 1,200 to reach 50,100, a 10% increase over last May. Services employment added 1,800 in May, well above normal seasonal expectations. Most new jobs came in business services (up 1,000), hotels and other lodging places (up 800), and health services (up 600).

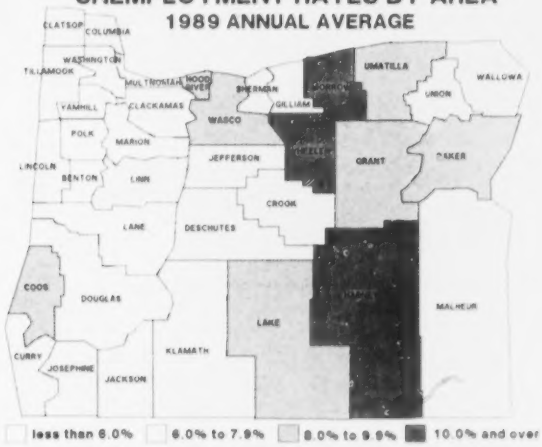
In transportation, communication, and utilities, the major employment news for the month was the early retirement incentives being offered by a couple of large companies in communications and utilities. These incentives were a small part of the reason for the seasonally adjusted drop of 300 in this industry sector.

Trade increased by 3,600 over the month, right in line with seasonal expectations. Two industries within trade showed notable trends. Wholesale lumber & construction material (6,400 up 300) continued its strong year. Retail food stores (41,300 up 200) may be cooling off after the hot pace set during the past two years; employment grew less than the typical 800 increase for May.

Nearly every sector of finance, insurance, and real estate contributed to the 1,000 employment gain. The exception was banking (20,700 unchanged) which has held employment levels nearly constant for over five years.

Services stuttered in April with a seasonally adjusted gain of only 200, but came back in May with a seasonally adjusted gain of 1,800, close to what we have come to expect. Part of the reason was hotels & other lodging places (19,900 up 800) which has grown at an 8% rate over last year. Computer and data processing services (7,600 up 100) continued to expand as it has since its inception. Another industry which has shown and is projected to show strong growth, nursing homes & personal care (15,300 up 200), added employment in May. Amusements & recreational services (10,500 down 900) was one of the few industries showing a decline over the month; the end of the ski season was largely to blame.

UNEMPLOYMENT RATES BY AREA
1989 ANNUAL AVERAGE



UNEMPLOYMENT RATES BY AREA

	1989 Rank	1989	1988	1988-89 Change
United States		5.3	5.5	-0.2
Oregon		5.7	5.8	-0.1
Benton	1	3.5	3.6	-0.1
Gilliam	2	4.2	5.6	-1.4
Portland PMSA 1/	3	4.5	4.7	-0.2
Eugene MSA 2/	4	5.6	5.6	0
Salem MSA 3/	5	5.9	5.9	0
Jefferson	6	6.0	6.3	-0.3
Lincoln	6	6.0	6.2	-0.2
Clatsop	8	6.4	5.8	0.6
Curry	8	6.4	5.9	0.5
Deschutes	10	6.7	7.5	-0.8
Medford MSA 4/	11	6.8	6.6	0.2
Tillamook	11	6.8	7.1	-0.3
Crook	13	7.0	7.2	-0.2
Columbia	14	7.2	7.6	-0.4
Malheur	15	7.3	7.1	0.2
Linn	16	7.5	7.9	-0.4
Union	16	7.5	7.8	-0.3
Wallowa	16	7.5	9.5	-2.0
Josephine	19	7.7	7.1	0.6
Douglas	20	7.8	7.7	0.1
Klamath	20	7.8	8.5	-0.7
Sherman	20	7.8	9.0	-1.2
Hood River	23	8.0	8.6	-0.6
Baker	24	8.1	8.6	-0.5
Wasco	25	8.4	7.9	0.5
Grant	26	8.7	9.4	-0.7
Lake	27	9.2	8.6	0.6
Umatilla	28	9.7	8.7	1.0
Coos	29	9.8	9.2	0.6
Wheeler	30	10.0	11.5	-1.5
Harney	31	10.9	7.7	3.2
Morrow	32	11.5	11.6	-0.1

1/ Clackamas, Multnomah, Washington & Yamhill counties
2/ Lane County
3/ Marion & Polk counties
4/ Jackson County

Regional Economists

The industry categories just discussed are of course aggregates for the entire state of Oregon, but the Research & Statistics section of the Employment Division also collects, compiles, and disseminates economic information for each county in the state. County unemployment rates are important examples of this economic information. A map of the state, shaded to show different 1989 unemployment levels, accompanies this article. The map clearly shows that all counties in the Willamette Valley except Linn County had an unemployment rate in 1989 of less than 6.0%, while nearly every other county had an unemployment rate of 6.0% or more.

The county unemployment rates are computed each month by eight Regional Economists who work throughout the state. These individuals, whose primary responsibility is to provide labor market and related economic information, work out of Employment Division local offices in Salem, Eugene, Medford, Klamath Falls, Pendleton, La Grande, and Portland. The list of people and organizations who make use of the information provided by these Regional Economists includes businesses, news organizations, the general public, area colleges and other schools, vocational counselors, students, Chambers of Commerce, Job Training Partnership Act and Private Industry Council personnel, legislators, and other state and local government agencies.

This month, I asked the Regional Economists about the economic highlights in their regions. There were several common themes which affected many of the areas of the state.

Lumber & Wood Products

First, without exception, every economist expressed concern over the lumber and wood products industry. The log supply constraints and sudden changes in the industry are producing major economic effects in many of Oregon's counties. Since April, significant lumber mill closures have been announced in every county west of the Cascades between Marion County in the Willamette Valley and Jackson County on the California border.

Ken Rocco, the unpredictable Regional Economist in Eugene, said "Lane County is 'sucking air' in lumber and wood products, and has experienced more than its share of closures lately." He went on to say that due to worries about log supply and softening demand, permanent shutdowns and long-term layoffs have reduced wood products employment levels by about 1,000 in the county over the year. The lumber and wood products situation is particularly important for two of his counties, Douglas and Lane, both of which employ more lumber workers than probably any other county in the U.S.

The economist in South-Central Oregon, Mike Mahan, said that the economy in Klamath County did not have a very bright outlook due to the probability of declining timber harvests, and the resultant layoff at one of the major employers in the area.

Tight Labor Market

A second concern voiced by several of the economists was the tight labor market in their area. The jovial John Stone of the Portland area mentioned the tight labor market as the most outstanding condition in his area. He didn't hesitate to remind me that the Portland metropolitan area (which includes Washington, Multnomah, Clackamas, and Yamhill counties) contains nearly half of the state's employment, and therefore much of the state's economy. He mentioned that it is still hard for companies to find good applicants for many jobs, and that most qualified workers who want to work are already employed.

John Stone also cited the decline in the number of job orders received by the local offices of the Employment Division as an indication of softening demand for workers. He said the level of job orders is still good, but has shown a slight slackening since the second half of 1989. These job orders are indicative of the demand for workers in blue collar, service, and clerical occupations.

Ken Rocco in Eugene mentioned that the wage increases in his area hadn't been rising as fast as the increasing demand for workers would lead him to expect. He related how many tourism-related businesses such as hotels and restaurants were having trouble recruiting enough help for the summer. Some employers on the central Oregon coast were even making special arrangements for housing for their workers.

A sign of the tight labor market is the low unemployment rates which most of the economists mentioned as a key indicator in their areas.

Unusually Low Unemployment Rates

A sign of the tight labor market is the low unemployment rates which most of the economists mentioned as a key indicator in their areas. Jason Yohannan, the Eastern Oregon Regional Economist, made special note of how each of his counties was experiencing lower rates this year compared with last year. In Union and Wallowa counties nonfarm payroll employment has reached new highs each month this year when compared with the same month in previous years. But more often than not, these have been the conditions of Eastern Oregon this year: slower employment growth and lower per capita income than the rest of the state. He summed up the situation in his area by saying that these counties have done fairly well in the last couple of years.

Economic Diversification Helps Counties

Several economists mentioned that economic diversification was benefiting their counties. One example cited was Douglas County. Ken Rocco stated that despite the recent spate of mill closures in this county, the economy was doing remarkably well. The county had exceeded national employment growth rates in recent years. And almost every industry has been recording record high employment levels. More activity in non-food and non-lumber manufacturing were keys to this success according to Rocco. He mentioned Douglas County as a good case for diversification and its contribution to economic stability. But he did express some reservations as to how the economy would stand up while lumber employment continues to go down, since much of the economy is still closely tied to the lumber industry.

Al Stoebig, the Regional Economist for the North Coast, also felt that the economy in his area "will weather the transition" of changes in the lumber industry perhaps better than other rural areas in Oregon. Reasons cited included a relatively diversified coastal economy, less severe timber supply cutbacks, and growth in tourism and the population of retired persons. More importance will be borne by the industries associated with tourism, paper production, seafood processing, and dairy. Dislocations in the timber industry, however, will be felt disproportionately by some communities and families.

Those readers who would like more information on economic or labor market conditions for specific local areas in Oregon are encouraged to contact the appropriate Regional Economist, their local office of the Employment Division, or the Research and Statistics Central Office in Salem (phone: (503) 378-8657). □

STATE OF OREGON UNEMPLOYMENT RATES BY AREA

May 1990

	Civilian Labor Force	Total Employment	Unemployment	Rate[1]
State of Oregon	1,484,800	1,413,800	71,000	4.8
Eugene MSA[2]	151,100	143,500	7,600	5.0
Medford MSA[3]	72,060	67,820	4,240	5.9
Portland PMSA[4]	680,900	655,200	25,700	3.8
Salem MSA[5]	137,000	130,100	6,900	5.0
Baker	6,920	6,400	520	7.5
Benton	38,590	37,450	1,140	3.0
Clatsop	18,740	17,800	940	5.0
Columbia	17,930	16,910	1,020	5.7
Coos	27,660	25,810	1,850	6.7
Crook	7,180	6,720	460	6.4
Curry	9,930	9,500	430	4.3
Deschutes	40,620	38,570	2,050	5.0
Douglas	46,810	43,920	2,890	6.2
Gilliam	1,040	1,010	30	2.9
Grant	4,360	3,960	400	9.2
Harney	4,270	3,860	410	9.6
Hood River	9,190	8,280	910	9.9
Jefferson	7,320	6,950	370	5.1
Josephine	27,230	25,500	1,730	6.4
Klamath	26,350	24,300	2,050	7.8
Lake	4,040	3,630	410	10.1
Lincoln	19,980	19,050	930	4.7
Linn	43,860	40,590	3,270	7.5
Malheur	13,530	12,980	550	4.1
Morrow	3,950	3,710	240	601
Sherman	830	790	40	4.8
Tillamook	9,600	9,160	440	4.6
Umatilla	28,550	26,830	1,720	6.0
Union	11,630	10,830	800	6.9
Wallowa	3,820	3,460	360	9.4
Wasco	9,410	8,740	670	7.1
Wheeler	600	530	70	11.7

[1]*Not Seasonally Adjusted*
[2]*Lane County*
[3]*Jackson County*
[4]*Clackamas, Multnomah, Washington, Yamhill counties*
[5]*Marion and Polk counties*

EMPLOYERS' CORNER

Pat Adams

(Editor's note: Pat Adams is the manager of Western Temporary Services in Eugene, Oregon.)

According to an article in the September 1989 issue of **Oregon Labor Trends**, "...employment in the temporary services industry has grown over five-fold since 1983." A recent article in *The Wall Street Journal* states that most new jobs in the 1990s will be in the services sector. One service expected to flourish in the 1990s is that of providing people to help other people, namely the personnel business. One out of 20 new workers this decade will be either temporary workers or employees of temporary help or other personnel agencies. The accompanying graph was furnished to us by the Oregon Employment Division, Research and Statistics Office. It shows the increase in temporary employment in Oregon over the last ten years.

Temporary employment has evolved and changed a great deal over the last five years.

Temporary employment has evolved and changed a great deal over the last five years. People of all skill levels are now interested in working temporary jobs for many reasons: students wanting part-time work; people relocating to a new area; changing jobs or careers; people looking for a permanent job. These temporary workers have become a valuable asset to businesses. Many companies have discovered temporary staff provide excellent resources to get rush projects completed without disrupting the permanent staff as well as filling in for vacationing or sick employees, or those on maternity leave.

Some temporary services offer a "Temp-to-Perm" program that allows companies to try a temporary employee

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Apr.[2] 1990	Mar.[3] 1990	Apr. 1989	Apr.[2] 1990	Mar.[3] 1990	Apr. 1989	Apr.[2] 1990	Mar.[3] 1990	Apr. 1989
TOTAL MANUFACTURING[4]	$444.00	$435.69	$436.05	40.0	39.5	40.3	$11.10	$11.03	$10.82
Durable Goods	456.14	440.59	445.40	40.8	39.8	40.9	11.18	11.07	10.89
Lumber & Wood Products	454.69	438.29	451.28	41.0	39.7	41.1	11.09	11.04	10.98
Logging & Sawmills	479.89	462.56	488.38	40.6	39.2	40.8	11.82	11.80	11.97
Veneer & Plywood	457.87	441.86	455.14	41.7	40.8	43.1	10.98	10.83	10.56
Millwork & Structural	393.71	381.24	362.10	41.4	40.3	40.1	9.51	9.46	9.03
Mobile Homes	354.72	350.04	307.02	37.3	36.5	35.7	9.51	9.59	8.60
Other Wood Products	447.28	424.91	434.28	41.3	39.6	42.0	10.83	10.73	10.34
Furniture & Fixtures	354.66	349.67	304.09	34.5	36.5	35.4	10.28	9.58	8.59
Primary Metals	514.49	508.80	508.39	40.8	40.9	41.4	12.61	12.44	12.28
Fabricated Metals	408.20	421.08	398.58	39.1	39.8	39.0	10.44	10.58	10.22
Machinery (Ex Electrical)	445.21	452.35	464.96	40.4	40.9	41.7	11.02	11.06	11.15
Nondurable Goods	409.05	420.42	409.55	37.7	38.5	38.6	10.85	10.92	10.61
Food & Kindred Products	339.27	342.52	336.90	35.6	36.4	36.9	9.53	9.41	9.13
Canning & Preserving	277.22	291.10	279.84	33.4	35.2	35.2	8.30	8.27	7.95
Other Food Products	420.48	412.62	416.70	38.4	38.1	39.2	10.95	10.83	10.63
Textile Mill Products	255.24	244.60	244.64	36.0	32.7	34.7	7.09	7.48	7.05
Apparel	274.22	269.40	256.03	39.4	39.1	38.5	6.96	6.89	6.65
Paper & Allied Products	633.98	638.39	667.78	40.1	41.4	44.4	15.81	15.42	15.04
Printing & Publishing	432.75	492.77	423.24	37.5	39.9	36.9	11.54	12.35	11.47
Construction[4]	593.22	570.84	579.43	38.1	36.9	38.5	15.57	15.47	15.05
Communications & Utilities[5]	576.44	532.67	571.72	41.5	39.9	42.1	13.89	13.35	13.58
Trade[5]	338.44	321.39	327.01	35.7	34.3	35.2	9.48	9.37	9.29
Wholesale Trade	456.00	421.80	432.12	40.0	38.0	39.0	11.40	11.10	11.08
Retail Trade	278.05	269.24	271.09	33.5	32.4	33.1	8.30	8.31	8.19
Banking & Insurance[5]	371.51	361.45	360.84	38.3	36.4	38.8	9.70	9.93	9.30
State & Local Government	401.58	399.14	384.13						

[1]*Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.*
[2]*Preliminary*
[3]*Revised*
[4]*Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.*
[5]*Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.*

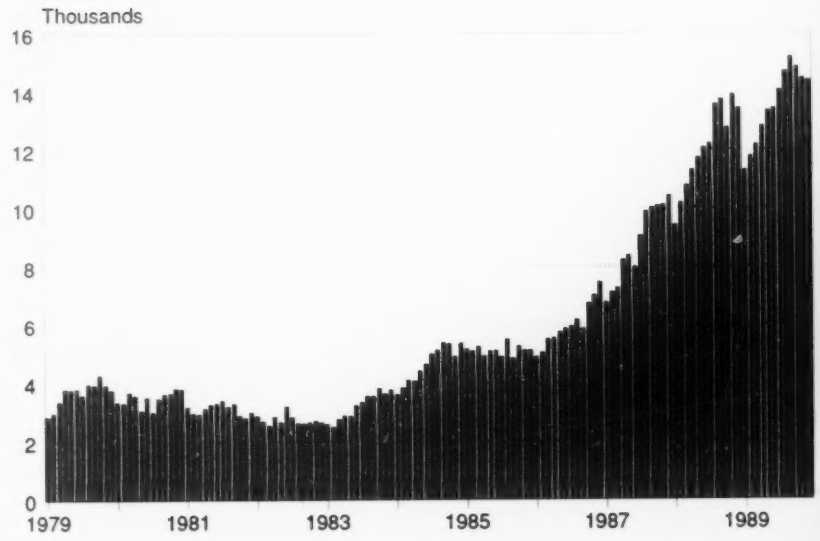
before hiring them on a permanent basis. This also works well for someone looking for a permanent job. Many companies are now using temporary services as their human resources department. They no longer have to recruit, screen, and interview. It takes the risk out of hiring when you have the opportunity to evaluate the candidate while on the job! The "Temp-to-Perm" program allows the temporary employee the option of trying out several different companies and industries before accepting a permanent job.

Today the temporary service industry ranks as one of the nation's largest and continues to be one of the fastest growing.

In addition, many temporary agencies do not charge a fee and offer other benefits in addition to "on the job" experience at many locations. Benefits vary from company to company, but may include vacation pay, holiday pay, dependent care reimbursement, medical and hospital insurance, employee training, and much more.

Exceptional customer service should always be the uppermost concern of the temporary service chosen. The best will offer a guarantee of their service and are willing to work up a profile on each customer to provide important information on supplying the "perfect fit" when sending out a temporary employee. Today the temporary service industry ranks as one of the nation's largest and continues to be one of the fastest growing. Within the temporary industry, a growing emphasis is being placed on providing great service -- often talked about but seldom consistently delivered. As the industry continues to grow, service will be the determining factor between the temporary service firms that achieve long-term success and those that do not. □

Temporary Help Supply Employment
Oregon, Jan 1979 - Dec 1989



LMI LABOR MARKET INFORMATION

STATE OF OREGON

OREGON LABOR TRENDS is published monthly by the Research and Statistics Section of the Oregon Employment Division,

D. R. Steward, Assistant Administrator
Perky Collins, Typesetting
Carol Schmidt, Graphic Artist
Jeffry Hannum, State Economist & Editor.

Please send any address changes to Research & Statistics, LMI Programs Unit, Room 207, 875 Union Street N.E., Salem, OR 97311 or Phone (503) 378-8657.

Material contained in this publication is in the public domain and may be reproduced without special permission. Please credit **OREGON LABOR TRENDS**, Oregon Employment Division.

STATE OF OREGON
EMPLOYMENT DIVISION
DEPARTMENT OF HUMAN RESOURCES
875 UNION STREET N.E.
SALEM, OREGON 97311

OFFICIAL BUSINESS
PENALTY FOR PRIVATE
USE $300

U.S. MAIL

POSTAGE AND FEES PAID
EMPLOYMENT SECURITY MAIL
LAB 449

90005038-21
CONGRESSIONAL INFORMATION SVC DEPT
SRI
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814